



STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION

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Chairwoman

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Third District, Long Beach
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Fourth District, Los Angeles

STEVE WESTLY
State Controller, Sacramento

RAMON J. HIRSIG
Executive Director

**STATE BOARD OF EQUALIZATION MEETING
5901 Green Valley Circle, Room 207, Culver City
SEPTEMBER 21-22, 2004
NOTICE AND AGENDA**

Tuesday, September 21, 2004

Agenda items occur sequentially. When circumstances warrant, the Chairwoman may modify the order of the items on the agenda.

BOARD MEETING* (convenes at 11:00 a.m.)

B. CORPORATE FRANCHISE AND PERSONAL INCOME TAX HEARINGS

- ~~B1 Victor C. Bortka, 192236~~
~~For Party One: Victor C. Bortka, Taxpayer~~
~~Myra Brown, Witness~~
~~Peggy C. Lesnick, 266462~~
~~For Party Two: Appearance Waived~~
~~For Franchise Tax Board: Mark McEvilly, Tax Counsel~~
- B2 Dale R. Peterson, 172243
For Party One: Dale R. Peterson, Taxpayer
Mary L. O'Brien, CPA
Judith Peterson, 266995
For Party Two: Judith Peterson, Representative
For Franchise Tax Board: Kathleen Cooke, Tax Counsel
- ~~B3 Gerald W. and Kathleen Chamales, 213440~~
~~For Appellant: Eric Alden, Representative~~
~~For Franchise Tax Board: Jeanne Sibert, Tax Counsel~~
- B4 Hal A. and Lesley Sandler, 251044
For Claimant: Martin Rosenthal, CPA
For Franchise Tax Board: Cody Cinnamon, Tax Counsel
- B5 David and Judith A. Epstein, 249990
For Appellant: John F. Warda, Jr., CPA
For Franchise Tax Board: Renel Sapiandante, Tax Counsel

- B6 Eric and Bitten Hilton, 250180
For Appellant: Richard K. Semeta, Attorney
For Franchise Tax Board: Jeanne Sibert, Tax Counsel
- B7 John R. Bova, 212925
For Appellant: John R. Bova, Taxpayer
For Franchise Tax Board: Diane Ewing, Tax Counsel
- B8 Brenda Dickson-Weinberg, 238527
For Appellant: Daniel M. Caughey, Representative
For Franchise Tax Board: Jozel Brunett, Tax Counsel
- B9 Seymour I. Neuman, 252228
For Appellant: Seymour I. Neuman, Taxpayer
For Franchise Tax Board: Jeanne Sibert, Tax Counsel
- B10 Brian H. Pye, 253539
For Claimant: Brian Pye, Taxpayer
For Franchise Tax Board: Suzanne Small, Tax Counsel
- B11 Paul N. and Ava M. Paquette, 221938
For Appellant: Paul N. Paquette, Taxpayer
Ava M. Paquette, Taxpayer
For Franchise Tax Board: Jozel Brunett, Tax Counsel
- B12 German C. Garcia, 255773
For Appellant: German Garcia, Taxpayer
Maria Christina Garcia, Witness
For Franchise Tax Board: Kathleen Cooke, Tax Counsel
- B13 Paul E. and Linda Brooke Vogelgesang, 251062
For Appellant: Paul E. Vogelgesang, Taxpayer
For Franchise Tax Board: Diane Ewing, Tax Counsel
- B14 Sunny Benson, 259095
For Appellant: Sunny Benson, Taxpayer
Nwaeze Nwachuku, Representative
For Franchise Tax Board: Diane Ewing, Tax Counsel
- B15 Marvin and Joan Klotz, 235904
For Claimant: Marvin Klotz, Taxpayer
Gina Rodriguez, Enrolled Agent
For Franchise Tax Board: David Gemmigen, Tax Counsel
- B16 Colin G. Campbell, 224478
For Appellant: Colin G. Campbell, Taxpayer
For Franchise Tax Board: Jozel Brunett, Tax Counsel

D. SALES AND USE TAX APPEALS HEARINGS

- D1a IMC Chemicals, Inc., 196281
D1b Oak Power Corporation, Ltd., Ptn., 196280
D1c CD Poso I, Inc., Ltd., Ptn., 196283
D1d CD Jasmin I, Inc., Ltd., Ptn., 196284
D1e Ace Cogeneration Company, LP, 196282
For Claimant: Mark L. Mann, Attorney
Dan Tobias, Accountant
For Department: Sharon Jarvis, Tax Counsel
- D2a D & G Marine, Inc., 82414, 207531, 90009
D2b Doug Bombard Enterprises, Inc., 240445
For Petitioner: Richard Carlson, Representative
Greg Bombard, Taxpayer
For Department: Randy Ferris, Tax Counsel
- D3 Creative Resource Associates, Inc., 216179
For Petitioner: Michael Lindenlaub, Taxpayer
For Department: Chris Schutz, Tax Counsel
- ~~D4 Doctor's Signature Sales/Marketing International, 188163~~
~~For Petitioner: James Levinson, Representative~~
~~Iain Bratt, Taxpayer~~
~~For Department: Randy Ferris, Tax Counsel~~
- D5 David Elias Pardo, 172990
For Petitioner: David E. Pardo, Taxpayer
For Department: Kevin Hanks, Hearing Representative
- ~~D6 Qantas Airways, Ltd., 109811~~
~~For Claimant: Debra Berman, Taxpayer~~
~~Rick H. Izumi, Representative~~
~~Chie Kruszewski, Representative~~
~~For Department: Trecia Nienow, Tax Counsel~~
- D7 Jue Wang and Qing Xu, 215144
For Petitioner: Maxwell E. Lin, Attorney
Tim Chen, CPA
Jue Wang, Taxpayer
For Department: Kevin Hanks, Hearing Representative
- D8 David M. Golumbic, 216561
For Petitioner: David Golumbic, Taxpayer
For Department: Jeffrey Graybill, Tax Counsel

D9 Kenneth Paull Smith and Diana L. Smith, 207936
 For Petitioner: Kenneth Paull Smith, Taxpayer
 Diana Smith, Taxpayer
 For Department: Trecia Nienow, Tax Counsel

C. SPECIAL TAXES APPEAL HEARINGS

~~C1 Raul Velez Casian, 93198~~
~~For Petitioner: Raul Casian, Taxpayer~~
~~Braulio Villalobos, Witness~~
~~For Department: M. Judith Nelson, Tax Counsel~~

C2 Fibernet, Inc., 87388
 For Petitioner: Douglas Denoff, Taxpayer
 G. Gordon Whitehead, CPA
 For Department: M. Judith Nelson, Tax Counsel

A. HOMEOWNER AND RENTER PROPERTY TAX ASSISTANCE HEARINGS

A1 Robby Fulton, 240101
 For Claimant: Robby Fulton, Claimant
 For Franchise Tax Board: Suzanne Small, Tax Counsel

A2 Elaine M. Nichols, 245442
 For Claimant: Judith Holtz, Representative
 For Franchise Tax Board: Suzanne Small, Tax Counsel

A3 Samantha Jones, 251148
 For Claimant: Jennifer Austin, Representative
 For Franchise Tax Board: Suzanne Small, Tax Counsel

G. TAX PROGRAM NON-APPEARANCE MATTERS – CONSENT

G1 Legal Appeals MattersMr. Levine

- Petition for Rehearing
 1. Jerames Industries, Inc., 112004
- Hearing Notice Sent – No Response
 2. Federal Motors Corporation, 193242
 3. Alpert Auto Wholesale, Inc, 143310
 4. Joe Singh Sandhu, 169564, 186293
 5. Joaquin E. Hernandez, 217942
- Petition for Release of Seized Property
 6. Mila Chin, Il Pom Chin, and Sunny Chin, 268845

G2 Franchise and Income Tax Matters..... Mr. Shaltes

- Decisions
 1. John A. Bettencourt, 251034
 2. Edith Gentry, 246309
 3. Jesus Jose Guerrero, Jr., 243500
 4. Truc T. Nguyen, 252222
 5. Phillip R. and Patricia L. Roy, 239537
 6. James J. and Kazue O. Short, 239540
 7. Ian G. and Madeleine Walker, 246158
 8. Rosemarie Williams, 217726
 9. Thomas E. Wojcicki, 252125
- Petition for Rehearing
 10. Atsushi Fujii, 215896

G3 Homeowner and Renter Property Tax Assistance Matters..... Mr. Shaltes

- Decisions
 1. Steve A. Calhoun, 250049
 2. Terry D. Campbell, 253813
 3. Jian Chen, 253853
 4. Cassidy Clore, 254007
 5. Marat Dubinsky, 250413
 6. Joe Dunham, 254018
 7. Erika Easter, 258269
 8. Wan Chun Fu, 253620
 9. Paul Gerard, 251415
 10. Beverly J. Gross, 251427
 11. Janelle M. Jarvis, 244436
 12. Helen Kikes (Deceased), 251531
 13. Jong Yul Kim, 251571
 14. Taneisha L'aimont, 254055
 15. Frank Louie, 253616
 16. Sharon M. Parker, 255101
 17. Carolyn L. Reno, 258869
 18. Buddy Rogers, 258870
 19. Angela San Juan, 260795
 20. Kathleen M. Surbey, 257948
 21. Wai Ching Tse, 257972
 22. Hershel L. Williams, 260765
 23. Connie Wong, 242324

G4 Sales and Use Taxes MattersMr. Young

- Redeterminations
 1. York International Corporation, 246509
 2. Cerner Corporation, 244297
 3. Rapak, LLC, 217121
 4. Tamglass Tempering Systems, Inc., 171569
 5. Union Pacific Railroad Company, 160720
 6. Chevys, Inc., 259817

- Denials of Claims for Refund
 7. Cardinal Health 110, Inc., 260537
 8. Hewlett-Packard Financial Service, 267946
 9. Ikea California, LLC, 242665

G5 Sales and Use Taxes Matters – Credits, Cancellations, and Refunds.....Mr. Young

- Credit and Cancellation
 1. DEVX.COM, Inc., 268840
- Refunds
 2. Automotive Racing Products, Inc., 234650
 3. General Precision, Inc., 207133
 4. Tenet Healthsystems Hospitals, Inc., 268618
 5. Fireside Bank, 258909
 6. Clevenger Ford, 219125
 7. Varian Medical Systems, Inc., 268252
 8. Birlleffi Motors, Inc., 267915
 9. Tyco Electronics Corporation, 238490
 10. Dynix Corporation, 198585
 11. Harmon/Becker Automotive Systems, 267719
 12. Hewlett-Packard Financial Service, 267945
 13. Flowserve US, Inc., 263742
 14. Blaze Network Products, Inc., 209290
 15. Longs Drug Stores California, Inc., 251379
 16. National Broadcasting Company, Inc., 168065
 17. Ashley Furniture Industries, Inc., 253592
 18. Time Finance Company, 190706
 19. Newport Acceptance Corporation, 211630

G6 Special Taxes MattersMr. Gau

- Redeterminations
 1. Cenco Refining Company, 259349
 2. Ultramar, Inc., 171576 – “CF”
- Denial of Claim for Refund
 3. Ultramar, Inc., 174415 – “CF”

G7 Special Taxes Matters – Credits, Cancellations, and RefundsMr. Gau

- Credits and Cancellations
 1. Cenco Refining Company, 239364
 2. Cenco Refining Company, 264266
- Refunds
 3. Chevron U.S.A., Inc., 270641
 4. Nationwide Life Insurance Company, 266288 – “CF”
 5. Merastar Insurance Company, 261659 – “CF”
 6. Allianz Life Insurance Company of North America, 264574 – “CF”
 7. Humana Insurance Company, 266926 – “CF”

ADMINISTRATIVE SESSION

- N. Consent Agenda** **Ms. Pellegrini**
N1 Approval of 2005 Board Workload Plan

ANNOUNCEMENT OF CLOSED SESSION..... **Ms. Pellegrini**

- Q. Closed Session**
Q1 Discussion and action on personnel matters (Govt. Code § 11126(a))

OPEN SESSION**ADJOURN**

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Deborah Pellegrini, Chief
Board Proceedings Division

- * Public comment on any agenda item, other than a Closed Session item or an item which has already been considered by a Board Committee, will be accepted at that meeting.

"CF" Constitutional Function – The Deputy State Controller may not participate in this matter under Government Code section 7.9.

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**STATE BOARD OF EQUALIZATION MEETING
5901 Green Valley Circle, Room 207, Culver City
September 21-22, 2004
NOTICE AND AGENDA**

Wednesday, September 22, 2004

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BOARD MEETING* (convenes at 9:00 a.m.)

D. SALES AND USE TAX APPEALS HEARINGS

- D1 Glasstone, Inc., 190970
For Petitioner: Dwight Montgomery, Attorney
Mark J. Moscrop, Taxpayer
For Department: Kevin Hanks, Hearing Representative
- ~~D2 Marco A. Sanchez, 89000214800~~
~~For Petitioner: Patrick Leone, CPA~~
~~For Department: Jeffrey Graybill, Tax Counsel~~
- ~~D3 Dennis Bruno, 15042~~
~~For Petitioner: Patrick Leone, CPA~~
~~For Department: Jeffrey Graybill, Tax Counsel~~
- D4 Victor A. Serrao, 207674, 208348
For Claimant: Victor A. Serrao, Taxpayer
Gina Serrao, Witness
Vito Serrao, Witness
For Department: Sharon Jarvis, Tax Counsel
- D5 Kampee Mongkolsiri, 213313
For Petitioner: Kampee Mongkolsiri, Taxpayer
Pakavabee Mongkolsiri, Witness
For Department: Sandy McCaleb, Hearing Representative

- D6 Carpeteria Markarian Company, Inc., 197090
For Petitioner: David P. Segal, CPA
For Department: Chris Schutz, Tax Counsel
- D7 Demboyz, Inc., 182958
For Petitioner: Bruce Legawiec, Representative
For Department: Chris Schutz, Tax Counsel
- D8 Pictured Illusions, Inc., 154372
For Petitioner: Patrick Leone, CPA
John Penir, Taxpayer
Kenneth Creal, CPA
For Department: Chris Schutz, Tax Counsel
- ~~D9 Steven Wiener, 171101
For Petitioner: John W. Sunnen, Attorney
For Department: Kevin Hanks, Hearing Representative~~
- ~~D10a Meza Family Enterprises, Inc., 198668
D10b Meza Body Shop Supplies, Inc., 198715
For Petitioner: Jose R. Meza, Taxpayer
Jose L. Manzano, Representative
For Department: Kevin Hanks, Hearing Representative~~
- D11 Robert Allen Davis and Richard Charles Leavenworth, 158409
For Petitioner: Robert Allen Davis, Taxpayer
For Department: Jeffrey Graybill, Tax Counsel
- D12 Mold Machine Company, Inc., 182123
For Petitioner: Warren Nemiroff, Attorney
For Department: Randy Ferris, Tax Counsel
- ~~D13 Philip Werbin and Leonard Werbin, 185789
For Petitioner: Ira Frankel, Accountant
Philip Werbin, Taxpayer
For Department: Kevin Hanks, Hearing Representative~~
- D14 Luis Eduardo Gil, 163980
For Petitioner: Luis Eduardo Gil, Taxpayer
Joaquin A. Chacon, Accountant
For Department: Sandy McCaleb, Hearing Representative
- D15 Ibrahim Oudeh, 209552
For Petitioner: Ronald Drake, Bookkeeper
For Department: Kevin Hanks, Hearing Representative

- D16 Denise Alina Salazar and Rich Manuel Salazar, 185787
For Petitioner: Denise Alina Salazar, Taxpayer
For Department: Sharon Jarvis, Tax Counsel
- D17 Crossroads Truck Dismantlers, Inc., 193778
For Petitioner: Ronald Drake, Bookkeeper
Greg Campbell, Taxpayer
For Department: Randy Ferris, Tax Counsel
- D18 Barry P. Beauchamp, 205825
For Petitioner: Beth N. Ochoa, Attorney
Tom Weir, CPA
Bary Beauchamp, Taxpayer
For Department: Chris Schutz, Tax Counsel
- D19 B. G. Saddle Rock, Corporation, 142133
For Petitioner: Elaine Lerma, Representative
For Department: Sandy McCaleb, Hearing Representative
- D20 Bernard Francis Kolanowski, 211996
For Claimant: Bernard F. Kolanowski, Claimant
For Department: Sharon Jarvis, Tax Counsel

F. PUBLIC HEARINGS

F1 BUSINESS TAXPAYERS' BILL OF RIGHTS HEARINGSMr. Gilman

Individuals have the opportunity to present their ideas, concerns, and recommendations regarding legislation, the quality of agency services, and other issues related to the Board's administration of its tax programs. At the Business Taxes hearings you can comment on the administration of sales and use taxes, environmental fees, fuel taxes, and excise taxes.

F2 PROPERTY TAXPAYERS' BILL OF RIGHTS HEARINGSMr. Gilman

Individuals have the opportunity to present their ideas, concerns, and recommendations regarding legislation, the quality of agency services, and other issues related to the Board's administration of its tax programs. At the Property Taxes hearings you can comment on the property taxes programs and laws administered by the Board, and identify ways to resolve any problems identified in the Property Taxpayers' Advocate's Annual Report.

ADJOURN

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